

# Montgomery County Affordable Housing

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Meeting 3  
May 27, 2008



# CountyStat Principles

- Require Data-Driven Performance
- Promote Strategic Governance
- Increase Government Transparency
- Foster a Culture of Accountability



# Agenda

- Welcome and Overview
- Follow-up from March 7<sup>th</sup> meeting
  - Status of CountyStat Affordable Housing Process
- Measures for Supply
- Measures of Demand
- Wrap-up



# Follow-up from March 7<sup>th</sup> Meeting

## ■ Follow-up items

- Construct agreed upon definitions for housing status and begin collecting data ***[completed and collecting data]***
- Determine how to measure “Housing Quality” and begin development of a system to collect data ***[partially completed]***
- Develop a set of measures for special needs populations ***[completed]***
- Examine the implications for cutting off the threshold for tracking affordability indicators at 120% of AMI ***[completed]***
- Define the historical inventory of MPDUs, explore their location, need and past performance ***[partially completed]***



# Follow-up from March 7<sup>th</sup> Meeting

## Follow-up items continued

- Refine measures for demand of affordable housing ***[under construction]***
- Determine mapping capabilities for identifying issues with the location of affordable housing with respect to inclusive communities and the proximity to mass transit ***[under construction, subject of next meeting]***
- Determine the number of eligible households that are housing burdened and the percent of these that are served by county programs ***[under construction, subject of next meeting]***

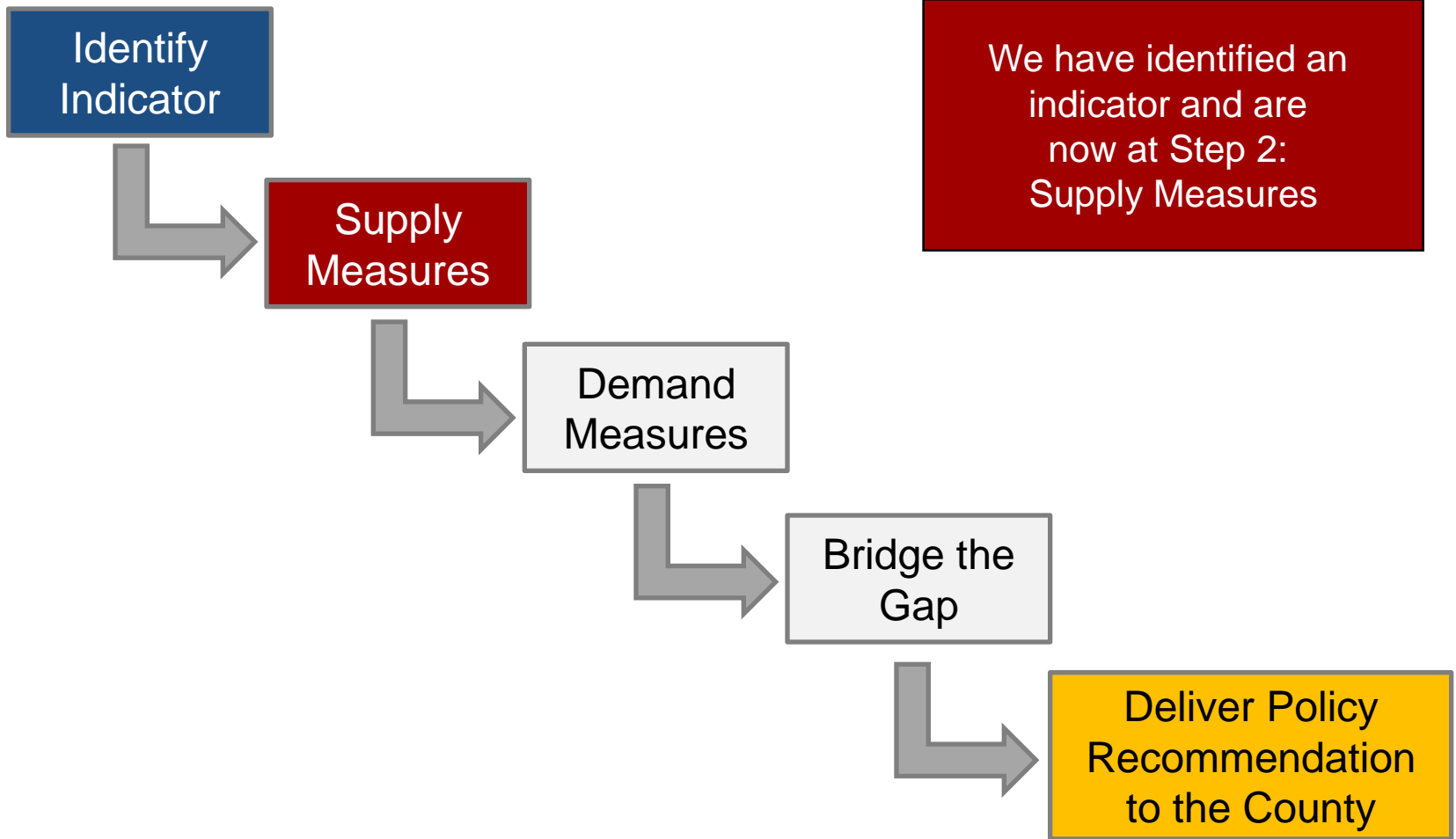


# CountyStat Process for Measuring Affordable Housing Cross-Department & Cross Agency

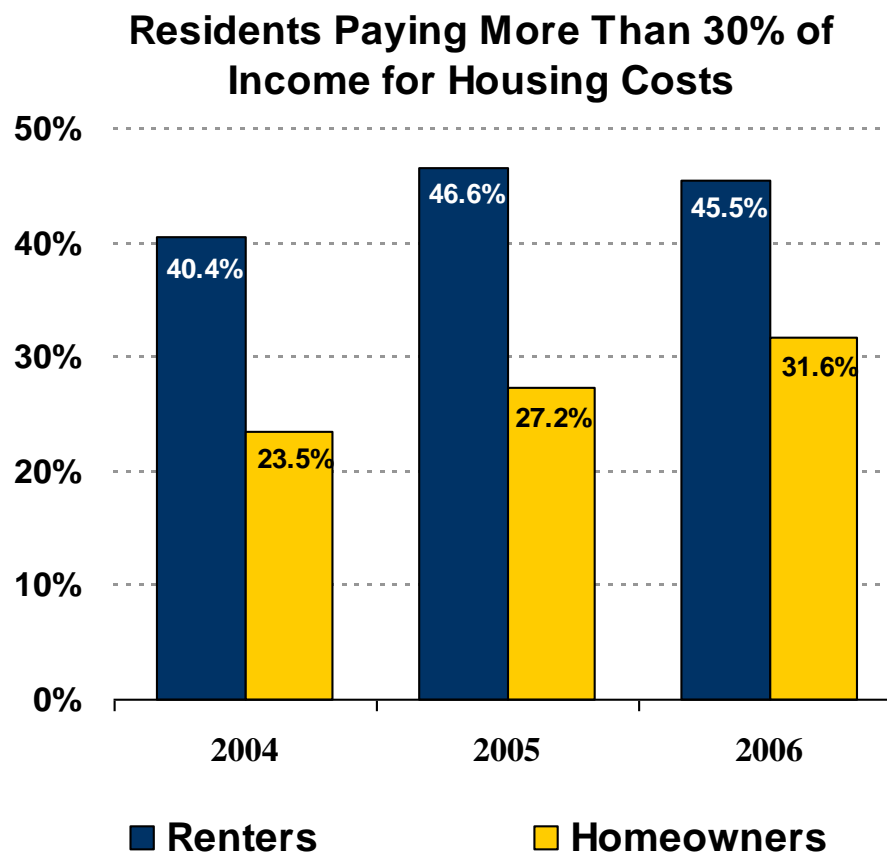
- 1) Define and identify the stock of affordable housing.
- 2) Develop useful measures around affordable housing supply and demand.
- 3) Create agreement among partners around measures for supply and demand.
- 4) Track programs and monitor progress.
- 5) Report on the degree affordable housing supply is keeping up with demand.



# CountyStat Framework: Affordable Housing Process



# Step 1: Indicator: Housing Burden



\*Housing costs include rent, mortgage and utilities

**Percentage of residents that are paying greater than 30% of income for housing costs are considered housing burden**





# Agenda

- Welcome and Overview
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- Measures of Demand
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## Step 2: Summation of Supply Measures

- Measure 1: Number of Affordable Units
- Measure 2: Number of Clients Served
- Measure 3: Housing Quality
- Measure 4: Special Needs Housing
- Measure 5: Funds Spent on Affordable Housing Units
- Measure 6: At Risk Units Preserved



## Supply Measure 1: Number of Affordable Units (completed)

### ▪ Definitions

- Housing status categories defined as:
  - Units
    - **Existing:** Controlled stock of affordable housing
    - **Expiring:** Part of the controlled stock of affordable housing that will lose its affordability within the year due to an ending control period, loan payoff, etc.
    - **Pending:** Units where money has been spent but they have not been occupied yet
    - **Newly Completed:** Built since the last base was established, but before the new base is counted
    - **Preserved:** Units which otherwise would have been lost to market forces
- Housing units will be further categorized by income eligibility
  - **< 30% of AMI** – Extremely Low Income
  - **30-50% of AMI** – Very Low Income
  - **50-80% of AMI** – Low Income
  - **80-100% of AMI** – Moderate Income



## Supply Measure 1: Number of Affordable Units

### Income-Restricted Units by Income Category

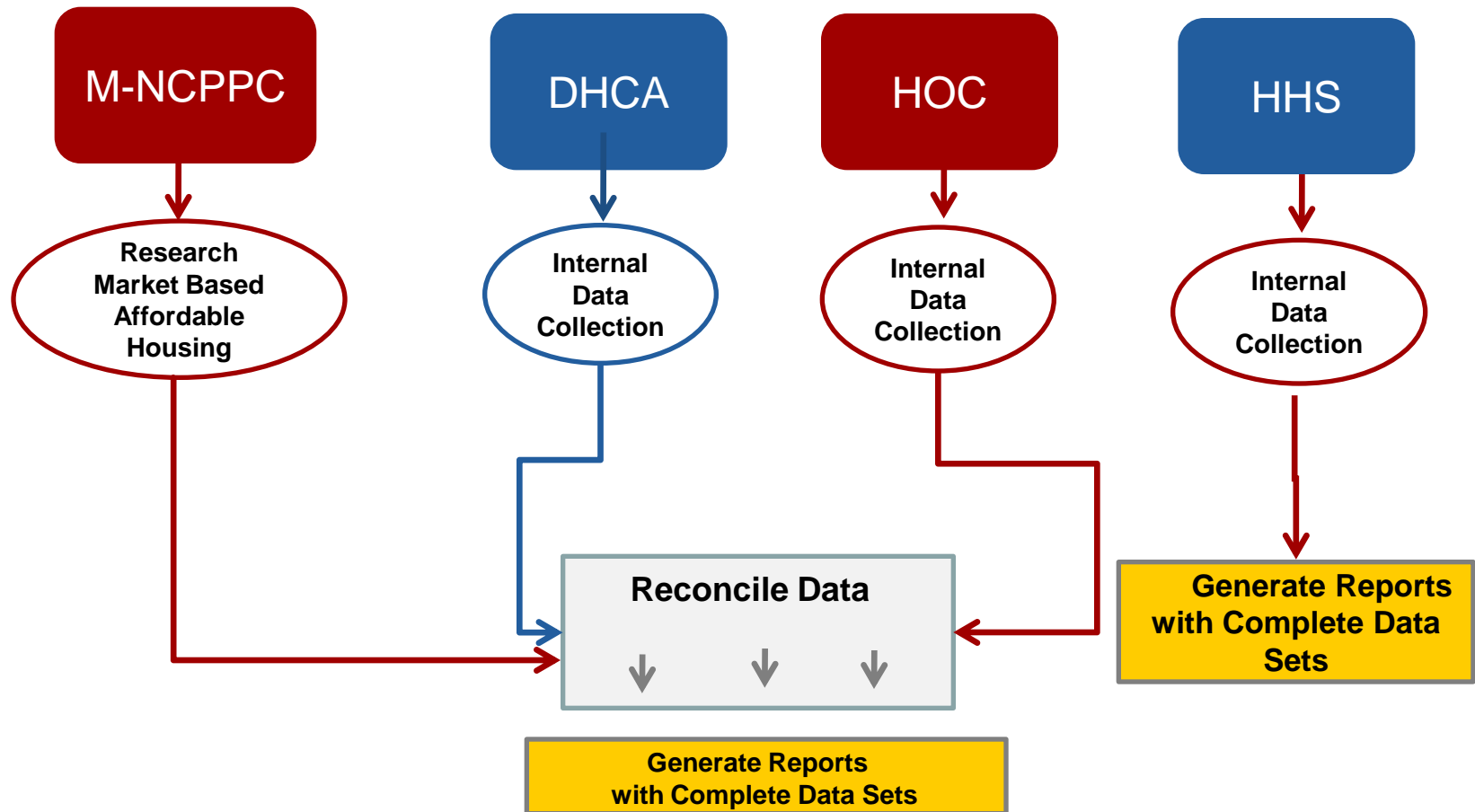
	Existing	Expiring	New Completed/ Preserved	Pending
Extremely Low Income < 30%	2,131	N/A	70	7
Very Low Income 31-50%	2,218	54	N/A	11
Low Income 51- 80%	4,734	192	105	35
Moderate Income	1,212	211	34	591
<b>Total</b>	<b>10,295</b>	<b>457</b>	<b>209</b>	<b>644</b>

\*This number is exaggerated since the control period reset on some of these units and other were purchased by non-profits.

**Currently there are over 10,000 existing government produced income-restricted units in the county.**



## County Affordable Housing Cross Agency and Cross Department Data Sources



**Reconciling cross department and cross agency data was not an easy task.  
For future analysis data needs to be centrally located and the queries need to be automated.**



## Supply Measure 1: Number of Affordable Units

- **Data Sources**

- DHCA's HIF, HOME loan program, and MPDU database
- HOC's portfolio

- **Data Accuracy and Reconciliation**

- Overlap between DHCA and HOC's data exists
- DHCA provided funds (HIF & HOME) to non-profits to purchase units
- DHCA tracks MPDU production
- HOC purchased MPDU and track them as scattered sites in their portfolio
- DHCA funded non-profit acquisition of MPDU

- **Reporting Timeframe**

- Fiscal year

- **Collection Responsibility**

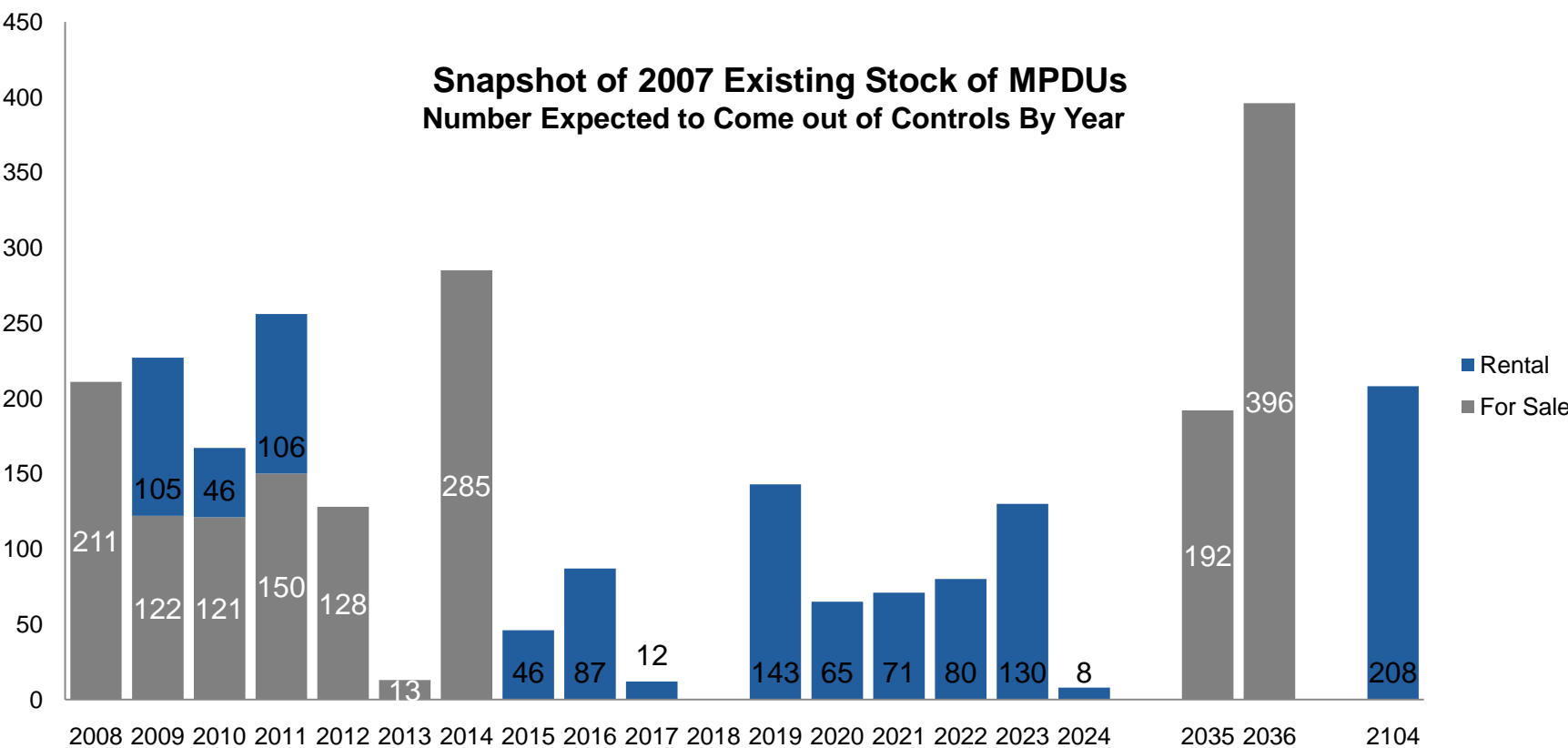
- DHCA, HOC



# Supply Measure 1: Number of Affordable Units

## Reconciling the data

### MPDU example



The change in the MPDU Ordinance will increase the lifespan of new MPDU units to 30 years for For Sale units and to 99 years for Rental units.



## Further Analysis of Supply Measure 1: Number of Affordable Units

### Quantify Naturally Occurring Affordable Housing

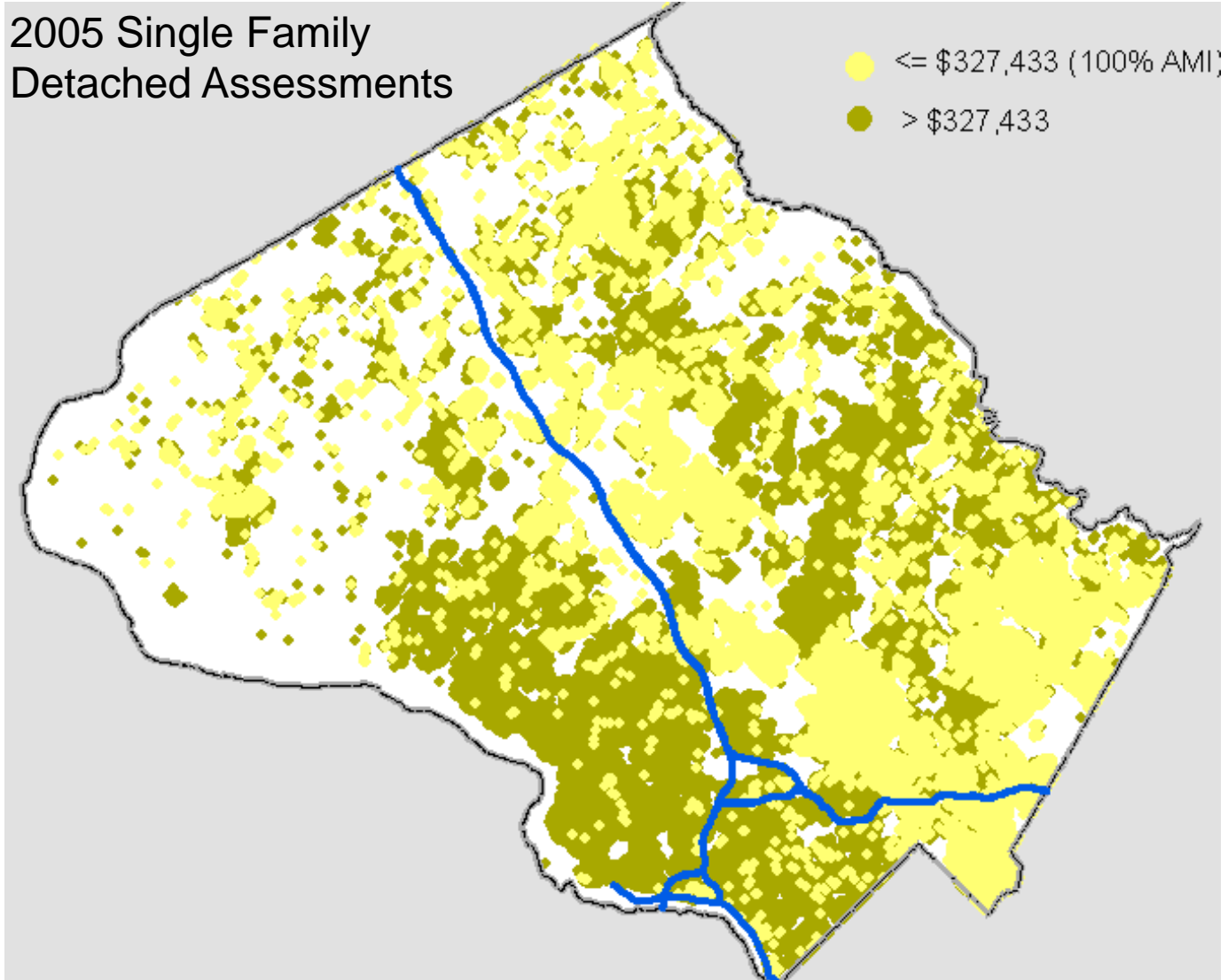
- **Definition:**
  - Housing units that are affordable without government or non-profit intervention
- **Data Sources**
  - State Tax Assessments

In 2005, fewer than one-third of the units were affordable to a household of 4 earning the Area Median Income of (\$89,300).





# 2005 Naturally Occurring Affordable Homes



Source: 2005 Assessed Value from MD Department of Assessments and Taxation, Analysis from Research & Technology Center, M-NCPPC-MC

# Supply Measure 2: Number of Clients Served (complete)

- **Data Sources & Definitions**

- Households receiving HHS Supportive Housing Rental Assistance (SHRAP)
- Average number of households receiving county rental assistance
- Special Needs (homeless) Individuals and Families served by HHS and community providers in emergency shelter, transitional, and permanent supportive housing
- HOC Voucher Recipients

- **Reporting Timeframes**

- Fiscal year

- **Collection Responsibility**

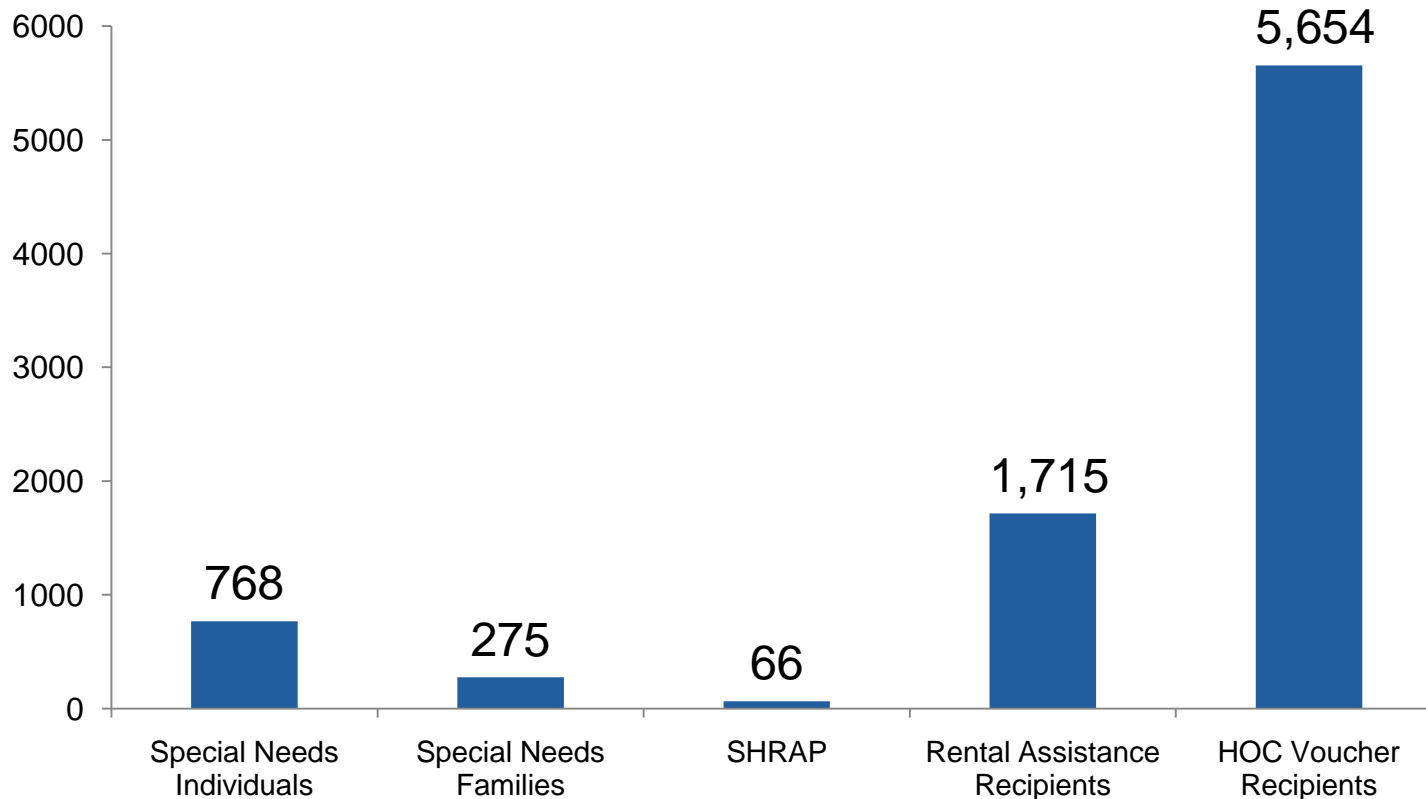
- HHS, HOC

This measure will track the total number of clients served and will be reported every fiscal year.



# Supply Measure 2: Number of Clients Served

## Snapshot of HHS and HOC Housing Assistance Clients



\*Due to the nature of some of these programs there is overlap between clients and affordable units.

**The County and HOC are currently providing housing support for 8,478 households.**



# Supply Measure 3: Affordable Housing Quality (partially completed)

- **Data Sources & Definitions**

- Physical , social, or economic measures of quality

- **Physical Condition Perspective**

- **Code enforcement data: (complaint or annual inspection driven)**
      - State Department of Assessment and Taxation (SDAT) data: (age of unit)
      - HUD Housing Quality Standards (HQS):
      - Census data (plumbing and electric, and telephone service)
      - American Housing Survey

- **Social Perspective**

- School Quality: test scores
      - Crime
      - Distance to Metro

- **Economic Perspective**

- SDAT: Assessments



# Supply Measure 3: Housing Quality

## Physical Condition: Code Violations

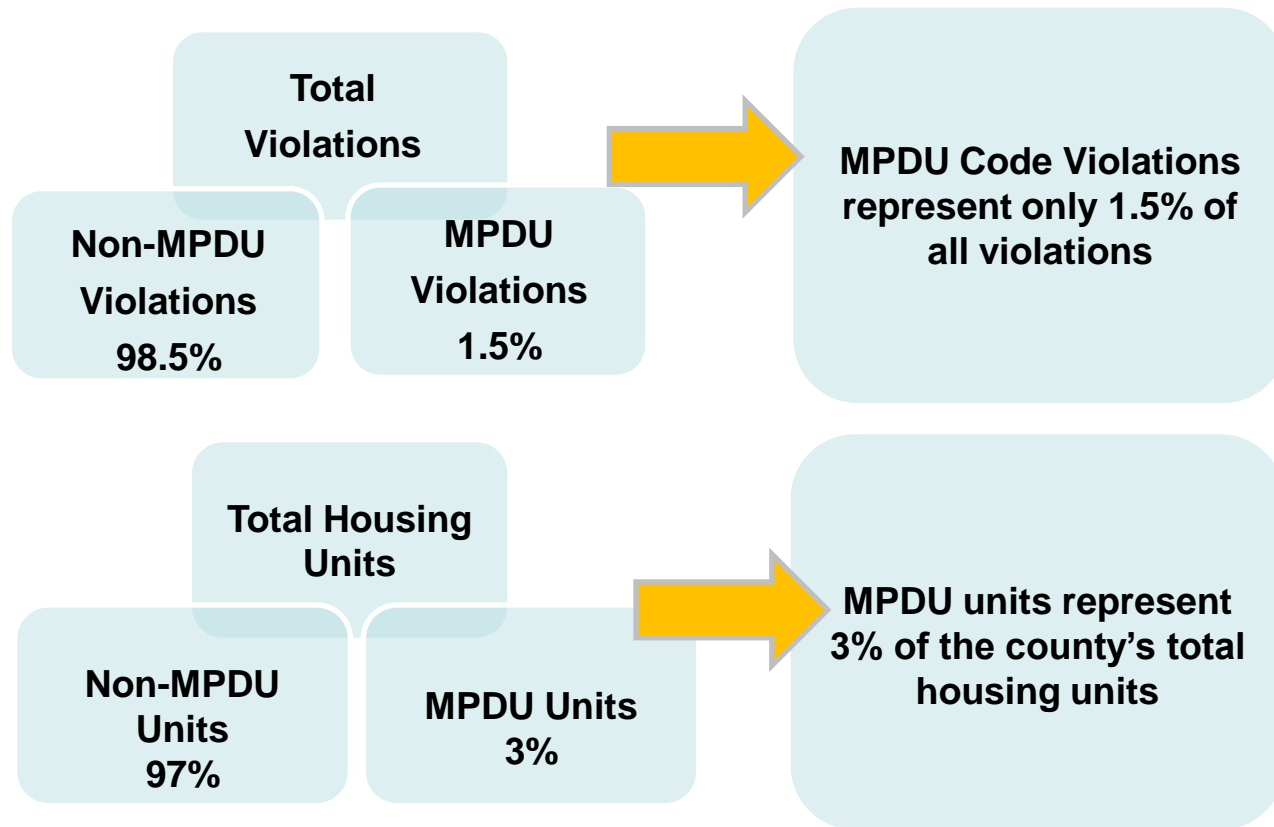
### MPDU example

- **Data Sources**
  - DHCA's MPDU database and Housing Code Violations
- **Data Analysis & Methodology**
  - Performed spatial analysis of MPDUS and Code Violations (2004-2007)
  - Each code violation was matched to a building address
  - Methodology overstates the number of violations for specific MPDU units in multi-family buildings



## Supply Measure 3: Housing Quality

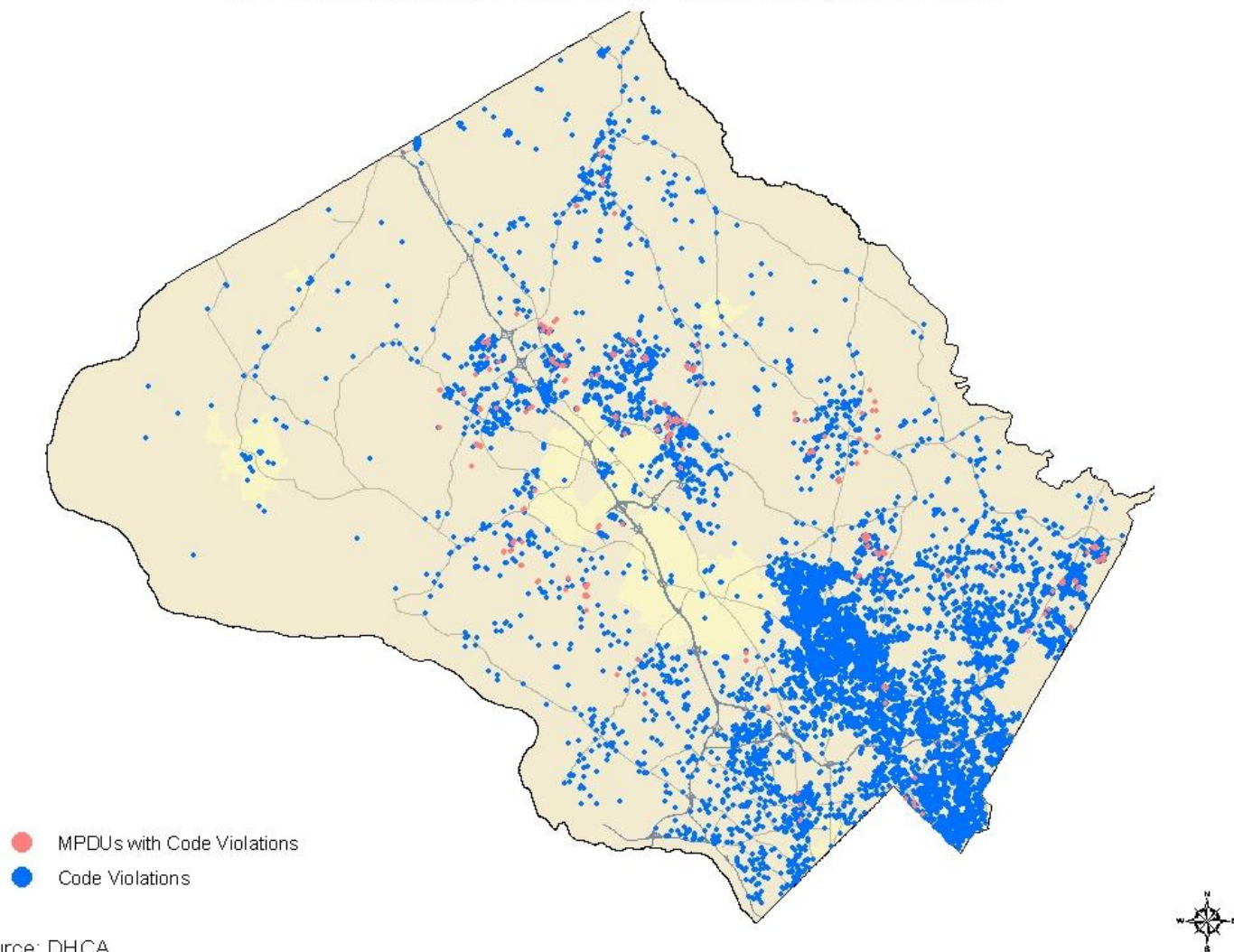
### Physical Condition: Code Violations MPDU example



**Non-MPDU units are 2 times more likely to have a code violation associated than MPDU units are.**



## MPDUs Addresses with Code Violations (2004-2007)



## Supply Measures 4: Special Needs Populations (completed)

### Potential Measures

- Percentage of homeless persons remaining in permanent housing over 6 months (HHS 91%; HUD Standard at least 71%)
- Percentage of homeless persons moving from transitional housing to permanent housing (HHS 63%; HUD Standard at least 61.5%)

### Data Sources & Definitions

- HHS's Homeless Management Information System (HMIS)
- **Reporting Timeframes**
  - Fiscal year
- **Collection Responsibility**
  - HHS

**HHS is standardizing their contract measures using the Homeless Management Information System (HMIS) HUD Annual Performance Review.**



Source: CoC Organizational Structure MD CoC Number MD-601 only covers HUD funded projects not universe of permanent or transitional programs



## Supply Measures 4: Special Needs Population

Potential Measure: Percentage of homeless persons with increased income at exit

	No Income at Entry	No Income at Exit	% Improvement
Permanent Supportive Housing	5	4	20%
Transitional Housing	120	88	27%
Emergency Shelters	1,017	934	8%
Total	1,142	1,026	---

\* Numbers include both single individuals and heads of households for families

**Over 20% HHS clients in Permanent or Transitional Housing that had no income on entry saw income improvement on exit.**



# Supply Measure 5: Funds Spent on Production of New Units

- **Data Sources & Definitions**

- Cost per unit utilizing county funds.
- Multi-year costs are calculated for the project after production
- Units are considered produced when occupied
- Units produced without funds will be calculated separately

- **Reporting Timeframe**

- Fiscal year (using FY2008 basis)

- **Collection Responsibility**

- DHCA



## Supply Measure 5: Funds spent on Affordable Housing Units

	Produced				Preserved			
	# of Units with Costs	# of Units with No Cost	Cost	County \$ per Unit	# of Units with Costs	# of Units with No Cost	Cost	County \$ per Unit
County FY 2008 base	103	34	\$6,932,000	\$67,214	34	291	\$1,969,700	\$57,932

**This data compares the county's produced and preserved units and examines the costs of each.**



# Supply Measure 6: At-Risk Units Preserved (complete)

**New measure that will be tracked over time**

- **Data Sources & Definitions**

- At-Risk units are units that are coming off control (expiring) within the next fiscal year
  - HAPs, MPDUs, opt-outs and repayments
  - Preserved units include those preserved through both funds and non-financing efforts
- Expiring units are identified in Measure 1: Number of affordable units

- **Reporting Timeframes**

- Fiscal year

- **Collection Responsibility**

- DHCA & HOC



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# Proposed Measure: Demand

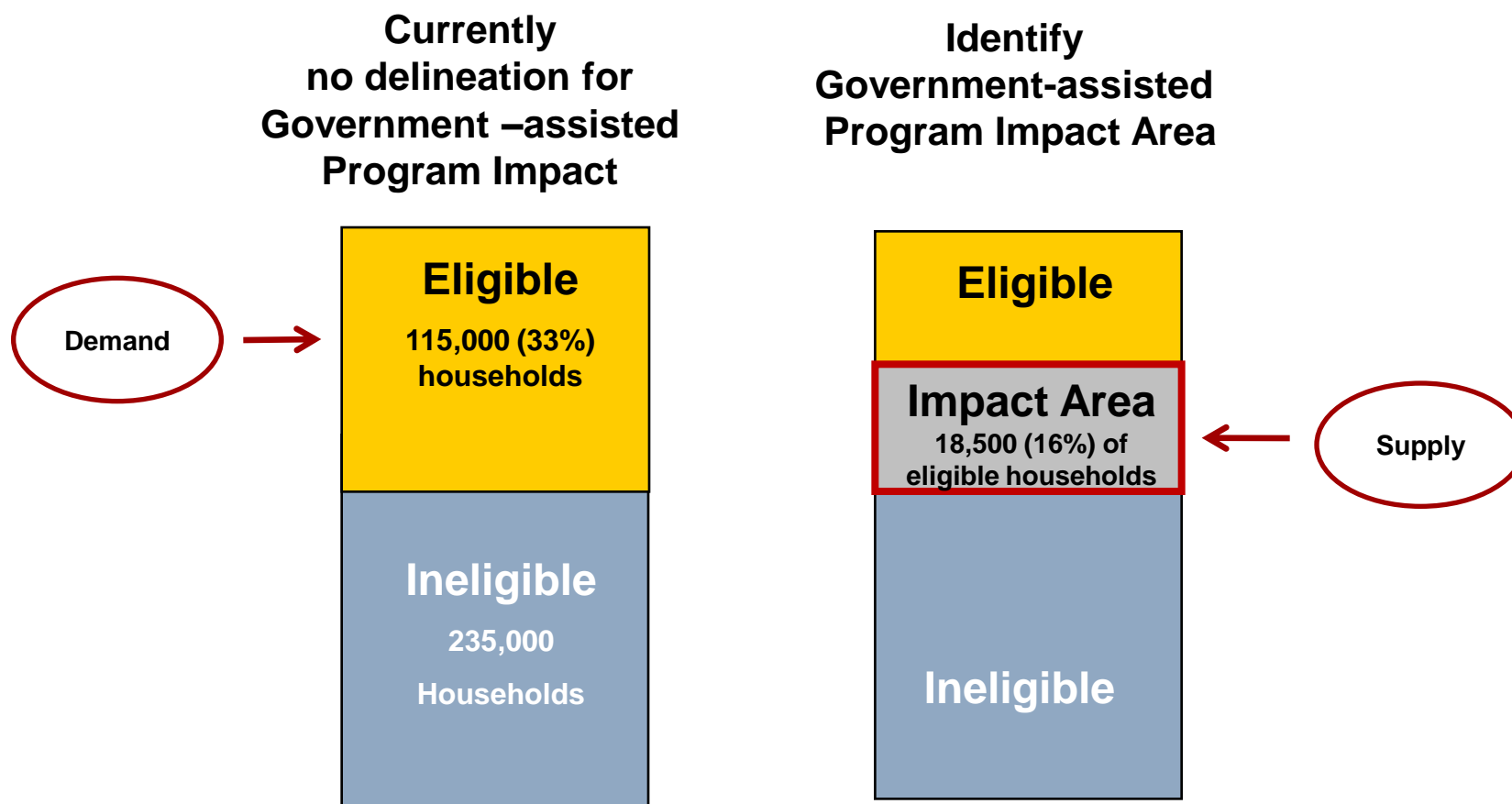
Panel Discussion: What should be counted in measuring demand?

- Proposed Scenarios
  - Willingness to Pay vs. Ability to Pay
  - Percentage of residents who are housing burdened
  - Percentage of residents who are income eligible
  - Residents of Montgomery County \*est. 962,000 (2007)
  - Residents and non-residents working in Montgomery County \*est. 508,650 (2006)
  - Specific subset of county workers (teachers, police, firefighters)
  - Waiting lists (do they include non-residents?)
  - Those who would like to live in Montgomery County



# Potential Indicator: Reach of Government Programs

- Percentage of eligible residents reached through government-assisted affordable housing programs



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## Wrap-Up

- Confirmation of follow-up items
- Time frame for next meeting

